

## Message Text

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TO AMEMBASSY PANAMA IMMEDIATE

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E.O. 11652: N/A

TAGS: PEPR, PN

SUBJECT: RESERVATIONS AND UNDERSTANDINGS TO NEUTRALITY  
TREATY

REF: HAAHR/GONZALEZ TELECON

TO TIDY RECORD, THERE FOLLOW TEXTS OF ALL  
RESERVATIONS AND UNDERSTANDINGS CONTAINED IN SENATE'S  
RESOLUTION OF RATIFICATION ON NEUTRALITY TREATY. DECONCINI  
AND NUNN RESERVATIONS NOT INCLUDED SINCE SENT SEPTTEL.

BEGIN QUOTE:

RESERVATIONS:

(1) BEFORE THE DATE OF ENTRY INTO FORCE OF THE TREATY, THE  
TWO PARTIES SHALL BEGIN TO NEGOTIATE FOR AN AGREEMENT UNDER  
WHICH THE AMERICAN BATTLE MONUMENTS COMMISSION WOULD, UPON  
THE DATE OF ENTRY INTO FORCE OF SUCH AGREEMENT AND THERE-  
AFTER, ADMINISTER, FREE OF ALL TAXES AND OTHER CHARGES AND  
WITHOUT COMPENSATION TO THE REPUBLIC OF PANAMA AND IN  
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ACCORDANCE WITH THE PRACTICES, PRIVILEGES AND IMMUNITIES  
ASSOCIATED WITH THE ADMINISTRATION OF CEMETERIES OUTSIDE  
THE UNITED STATES BY THE AMERICAN BATTLE MONUMENTS

COMMISSION, INCLUDING THE DISPLAY OF THE FLAG OF THE UNITED  
STATES, SUCH PART OF COROZAL CEMETERY IN THE FORMER CANAL  
ZONE AS ENCOMPASSES THE REMAINS OF CITIZENS OF THE UNITED

STATES.

(2) THE FLAG OF THE UNITED STATES MAY BE DISPLAYED, PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 OF ARTICLE VII OF THE PANAMA CANAL TREATY, AT SUCH PART OF COROZAL CEMETERY IN THE FORMER CANAL ZONE AS ENCOMPASSES THE REMAINS OF CITIZENS OF THE UNITED STATES.

(3) THE PRESIDENT -

(A) SHALL HAVE ANNOUNCED, BEFORE THE DATE OF ENTRY INTO FORCE OF THE TREATY, HIS INTENTION TO TRANSFER, CONSISTENT WITH AN AGREEMENT WITH THE REPUBLIC OF PANAMA, AND BEFORE THE DATE OF TERMINATION OF THE PANAMA CANAL TREATY, TO THE AMERICAN BATTLE MONUMENTS COMMISSION THE ADMINISTRATION OF SUCH PART OF COROZAL CEMETERY AS ENCOMPASSES THE REMAINS OF CITIZENS OF THE UNITED STATES; AND

(B) SHALL HAVE ANNOUNCED, IMMEDIATELY AFTER THE DATE OF EXCHANGE OF THE INSTRUMENTS OF RATIFICATION, PLANS, TO BE CARRIED OUT AT THE EXPENSE OF THE UNITED STATES GOVERNMENT, FOR--

(I) REMOVING, BEFORE THE DATE OF ENTRY INTO FORCE OF THE TREATY, THE REMAINS OF CITIZENS OF THE UNITED STATES FROM MOUNT HOPE CEMETERY TO SUCH PART OF COROZAL CEMETERY AS UNCLASSIFIED

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ENCOMPASSES SUCH REMAINS, EXCEPT THAT THE REMAINS OF ANY CITIZEN WHOSE NEXT OF KIN OBJECTS IN WRITING TO THE SECRETARY OF THE ARMY NOT LATER THAN THREE MONTHS AFTER THE DATE OF EXCHANGE OF THE INSTRUMENTS OF RATIFICATION OF THE TREATY SHALL NOT BE REMOVED; AND

(II) TRANSPORTING TO THE UNITED STATES FOR REINTERMENT, IF THE NEXT OF KIN SO REQUESTS, NOT LATER THAN THIRTY MONTHS AFTER THE DATE OF ENTRY INTO FORCE OF THE TREATY, ANY SUCH REMAINS ENCOMPASSED BY COROZAL CEMETERY AND, BEFORE THE DATE OF ENTRY INTO FORCE OF THE TREATY, ANY REMAINS REMOVED FROM MOUNT HOPE CEMETERY PURSUANT TO SUB-CLAUSE (I); AND

(C) SHALL HAVE FULLY ADVISED, BEFORE THE DATE OF ENTRY INTO FORCE OF THE TREATY, THE NEXT OF KIN OBJECTING UNDER CLAUSE (B)(I) OF ALL AVAILABLE OPTIONS AND THEIR IMPLICATIONS.

(4) TO CARRY OUT THE PURPOSES OF ARTICLE III OF THE TREATY OF ASSURING THE SECURITY, EFFICIENCY, AND PROPER MAINTENANCE OF THE PANAMA CANAL, THE UNITED STATES OF AMERICA

AND THE REPUBLIC OF PANAMA, DURING THEIR RESPECTIVE PERIODS OF RESPONSIBILITY FOR CANAL OPERATION AND MAINTENANCE, SHALL, UNLESS THE AMOUNT OF THE OPERATING REVENUES OF THE CANAL EXCEEDS THE AMOUNT NEEDED TO CARRY OUT THE PURPOSES OF SUCH ARTICLE, USE SUCH REVENUES OF THE CANAL ONLY FOR PURPOSES CONSISTENT WITH THE PURPOSES OF ARTICLE III.

UNDERSTANDINGS:

(1) PARAGRAPH 1(C) OF ARTICLE III OF THE TREATY SHALL BE CONSTRUED AS REQUIRING, BEFORE ANY ADJUSTMENT IN TOLLS FOR USE OF THE CANAL, THAT THE EFFECTS OF ANY SUCH TOLL ADJUSTMENT ON THE TRADE PATTERNS OF THE TWO PARTIES SHALL BE GIVEN FULL CONSIDERATION, INCLUDING CONSIDERATION OF UNCLASSIFIED

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THE FOLLOWING FACTORS IN A MANNER CONSISTENT WITH THE REGIME OF NEUTRALITY:

(1) THE COSTS OF OPERATING AND MAINTAINING THE PANAMA CANAL;

(2) THE COMPETITIVE POSITION OF THE USE OF THE CANAL IN RELATION TO OTHER MEANS OF TRANSPORTATION;

(3) THE INTERESTS OF BOTH PARTIES IN MAINTAINING THEIR DOMESTIC FLEETS;

(4) THE IMPACT OF SUCH AN ADJUSTMENT ON THE VARIOUS GEOGRAPHICAL AREAS OF EACH OF THE TWO PARTIES; AND

(5) THE INTEREST OF BOTH PARTIES IN MAXIMIZING THEIR INTERNATIONAL COMMERCE.

THE UNITED STATES AND THE REPUBLIC OF PANAMA SHALL COOPERATE IN EXCHANGING INFORMATION NECESSARY FOR THE CONSIDERATION OF SUCH FACTORS.

(2) THE AGREEMENT TO MAINTAIN THE REGIME OF NEUTRALITY ESTABLISHED IN THIS TREATY IN ARTICLE IV OF THE TREATY MEANS THAT EITHER OF THE TWO PARTIES TO THE TREATY MAY, IN ACCORDANCE WITH ITS CONSTITUTIONAL PROCESSES, TAKE UNILATERAL ACTION TO DEFEND THE PANAMA CANAL AGAINST ANY THREAT, AS DETERMINED BY THE PARTY TAKING SUCH ACTION.

(3) THE DETERMINATION OF 'NEED OR EMERGENCY' FOR THE PURPOSE OF ANY VESSEL OF WAR OR AUXILIARY VESSEL OF THE UNITED STATES OR PANAMA GOING TO THE HEAD OF THE LINE OF VESSELS IN ORDER TO TRANSIT THE PANAMA CANAL RAPIDLY SHALL BE MADE BY THE NATION OPERATING SUCH VESSEL.

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(4) NOTHING IN THE TREATY, IN THE ANNEXES OR THE PROTOCOL RELATING TO THE TREATY, OR IN ANY OTHER AGREEMENT RELATING TO THE TREATY OBLIGATES THE UNITED STATES TO PROVIDE ANY ECONOMIC ASSISTANCE, MILITARY GRANT ASSISTANCE, SECURITY SUPPORTING ASSISTANCE, FOREIGN MILITARY SALES CREDITS OR INTERNATIONAL MILITARY EDUCATION AND TRAINING TO THE REPUBLIC OF PANAMA.

(5) THE PRESIDENT SHALL INCLUDE ALL AMENDMENTS, RESERVATIONS, UNDERSTANDINGS, DECLARATIONS, AND OTHER STATEMENTS INCORPORATED BY THE SENATE IN ITS RESOLUTION OF RATIFICATION RESPECTING THIS TREATY IN THE INSTRUMENT OF RATIFICATION EXCHANGED WITH THE GOVERNMENT OF THE REPUBLIC OF PANAMA. END QUOTE. VANCE

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